

EXECUTIVE SUMMARY

PURPOSE

To determine whether or not physicians uniformly and accurately use new visit codes adopted by the Health Care Financing Administration in 1992.

BACKGROUND

The Health Care Financing Administration (HCFA) bases Medicare payments to physicians partly on a system of five-digit codes. Generally, the codes represent type and complexity of service provided, and patient status, such as new or established. Medicare payments are generally higher for more complex and longer visits.

Effective in 1992, HCFA adopted new visit codes developed by the American Medical Association (AMA). The AMA revised the previous coding system used by Medicare, and redefined physician services those codes represent.

The revised codes were designed to improve coding uniformity and accuracy. Uniform coding is achieved when codes physicians submit to Medicare reflect a consistent pattern throughout a universe of physicians. Accurate coding is achieved when physicians select codes which consistently fit the services physicians actually provided.

METHODOLOGY

We drew our data from two sources.

First, we surveyed eight randomly selected Medicare carriers to determine how they implemented and monitored the new codes. As part of that effort, we asked appropriate personnel from each carrier to code clinical vignettes to measure carrier accuracy and consistency in selecting correct codes. All eight carriers responded to our survey.

Second, we randomly surveyed 328 physicians concerning their experiences with the new visit codes. Despite a number of follow-up attempts, only 61 physicians (18 percent) responded to our survey. Of the 328 physicians surveyed, 101 were primary care physicians. We asked the primary care physicians to code five clinical vignettes designed to measure how accurately and consistently physicians chose correct codes. Of the 101 primary care physicians, 14 (13 percent) completed the vignettes.

Because of low response rates to the physician survey, we cannot draw definitive conclusions regarding the experience of physicians in using new visit codes or their understanding of new visit codes. Nonetheless, we believe the data we did obtain may provide useful insight to HCFA. Therefore, we presented it in this report.

CARRIERS HAVE DIFFICULTY SELECTING NEW CODES

None of the five vignettes were coded the same way by all sampled carriers, which illustrates carrier difficulty understanding the new visit codes. The vignettes were coded with a one level discrepancy, or carriers conceded they were unable to decide between two possible codes. Further, most carriers said (1) code definitions are not clear, and (2) they believe that physicians are not using the codes uniformly and accurately.

PHYSICIANS HAD DIFFICULTY SELECTING CODES

The 14 physicians who coded our test vignettes also demonstrated difficulty selecting the codes accurately. Only 1 of the 14 physicians coded all 5 of the vignettes correctly as defined by the AMA. Many of the 61 physicians who responded to our survey frequently delegate code selection to their office staff.

CARRIERS HAVE TAKEN LIMITED ACTION TO ENFORCE COMPLIANCE WITH NEW VISIT CODES

Carriers we surveyed said that, since the new visit codes were implemented in 1992, they have taken virtually no action against physicians for submitting improperly coded claims.

RECENT HCFA GUIDANCE MAY IMPROVE CODING UNIFORMITY AND ACCURACY

Since the time of our survey, HCFA and the AMA have collaborated on, and disseminated medical record documentation guidelines. HCFA staff expect the guidelines to result in more uniform and accurate coding. The guidelines, issued in November 1994, are designed to clarify criteria for visit codes.

CONCLUSIONS

Because of limited responses by physicians, the information presented in this report should be viewed as preliminary. We make no recommendations. However, our data does raise concerns or questions about use of new visit codes. Those concerns are (1) the accuracy of codes selected by physicians, (2) the ability of carriers to correctly advise physicians on coding matters, and (3) the extent to which carriers effectively and appropriately monitor physician use of the codes. These concerns will be addressed in future reports by the OIG.